

ModernGraham Valuation

Company Name:

EOG Resources Inc

Company Ticker EOG

Date of Analysis

7/30/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$45,025,208,272	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.53	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-164.08%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-63.48	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.60	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.53	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	8.53	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$1.29
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	-\$18.66
MG Value based on 0% Growth	-\$10.94
Market Implied Growth Rate	-35.99%

MG Opinion

Current Price	\$81.70
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$21.16
Graham Number	\$0.00
PEmg	-63.48
Current Ratio	1.53
PB Ratio	3.60
Current Dividend	\$0.67
Dividend Yield	0.82%
Number of Consecutive Years of Dividend Growth	18

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EPS History		EPSmg History	
Next Fiscal Year Estimate	-\$2.24	Next Fiscal Year Estimate	-\$1.29
Dec2015	-\$8.29	Dec2015	-\$0.26
Dec2014	\$5.32	Dec2014	\$3.35
Dec2013	\$4.02	Dec2013	\$2.15
Dec2012	\$1.06	Dec2012	\$1.43
Dec2011	\$2.05	Dec2011	\$1.78
Dec2010	\$0.32	Dec2010	\$1.83
Dec2009	\$1.09	Dec2009	\$2.62
Dec2008	\$4.86	Dec2008	\$3.15
Dec2007	\$2.19	Dec2007	\$2.17
Dec2006	\$2.62	Dec2006	\$1.95
Dec2005	\$2.57	Dec2005	\$1.46
Dec2004	\$1.29	Dec2004	\$0.87
Dec2003	\$0.90	Dec2003	\$0.68
Dec2002	\$0.16	Dec2002	\$0.58
Dec2001	\$0.83	Dec2001	\$0.72
Dec2000	\$0.81	Dec2000	\$0.59
Dec1999	\$1.00	Balance Sheet Information 3/1/2016	
Dec1998	\$0.09	Total Current Assets	\$2,365,812,000
Dec1997	\$0.19	Total Current Liabilities	\$1,547,972,000
Dec1996	\$0.22	Long-Term Debt	\$6,979,029,000
		Total Assets	\$26,338,423,000
		Intangible Assets	\$0
		Total Liabilities	\$13,932,935,000
		Shares Outstanding (Diluted Average)	546,715,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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